

# Energy Efficiency & On-Bill Financing For Small Businesses

**Presentation for:  
Webinar**

**DOE  
05/11/2011**

5/12/2011



**Connecticut  
Light & Power**

The Northeast Utilities System



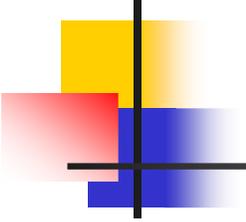
**CONNECTICUT  
ENERGY EFFICIENCY FUND**

[www.CTEnergyInfo.com](http://www.CTEnergyInfo.com)



*The United Illuminating Company*

Connecticut's Energy Efficiency Programs are funded by a Charge on Customer energy bills.  
The Programs are designed to help customers manage their energy usage and cost.



# Connecticut Energy Efficiency Fund (CEEF)

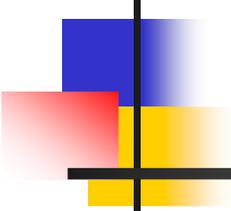
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Connecticut's Energy Efficiency Programs are funded by a Charge on Customer's electric bills.

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# Objective

**PROVIDE > COST-EFFECTIVE, turn-key CONSERVATION and LOAD MANAGEMENT SERVICES to SMALL C&I CUSTOMERS.**

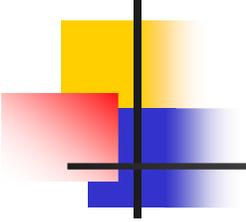


## **What qualifies as a SMALL BUSINESS?**

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**A “Mom & Pop” store with a \$150 monthly electric bill up to a mid size manufacturing company with a \$20,000 monthly electric bill.**

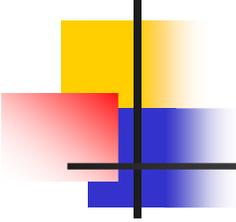
**Examples: Retail, convenience stores, houses of worship, professional offices, non-profits, gas stations, restaurants, common areas of apartment buildings, warehouses, sport facilities.**



# UI Customer Base

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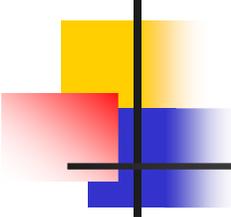
- **325,000** Total Customers
- **30,000** C&I Customers  
(Commercial, Industrial, Municipal)
- **16,800** are Small Businesses
- Over **4,400** Small Businesses (25%) have participated



## Statistics 2000 - 2010

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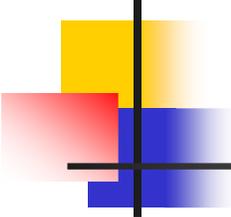
- Over **4,412** Installed Projects
- **981m** Lifetime kWh Saved =
  - > **531,000 TONS of AVOIDED CARBON DIOXIDE!**
- **\$11.5m** Incentives Paid by CEEF
- **\$30.7m** in 0% Financed Loans
- Under \$297,000 (**<1%**) in loan defaults



# Financial Solutions

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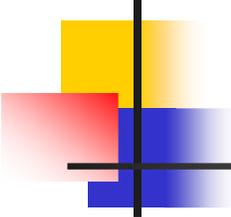
- **NO OBLIGATION Energy Evaluation**
- **NO UP-FRONT COSTS**
- **INCENTIVES**  
(up to 40% lighting & non-lighting measures)
- **0% ON-BILL FINANCING**  
(to qualified customers)



# Loans

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- Minimum loan; \$250 - Maximum loan; \$100,000
- Maximum loan term 48 months
- Qualifications: Utility payment history; less than 60 day arrears in most recent 6 months
- 93% of customers qualify for financing
- Of those who qualify, 54% decide to participate
- Of the 7% who don't qualify for financing only 19% decide to participate



## Loans (Continued)

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- 80% of participants are “tenants”
- Multiple on-bill loan capability (for multi-phase projects)
- Loans are transferrable or assumable
- Defaults are recovered by public funds (low default rate must be maintained)
- Utility allowed to earn interest on funds they supply for financing
- Partial payments are applied to loan installment first

# Sample Bill

## New Charges & Credits POD 1550016735020 (CYCLE 03)

Current Supplier: VIRIDIAN ENERGY, INC.			
Generation Services Charge	80 kWh X \$.105000	\$	8.40
Generation Services Charge	4240 kWh X \$.099900	\$	423.58
<b>Total Generation Services Charges</b>		\$	<b>431.98</b>
Transmission per kwh on-peak	1520 kWh X \$.050792	\$	77.20
Distribution Basic Service		\$	66.82
Distribution per kw on-peak	14.4 kW X \$3.630000	\$	52.27
Distribution per kw off-peak	0.0 kW X \$3.630000	\$	0.00
Distribution per kwh on-peak	1520 kWh X \$.014199	\$	21.58
Distribution per kwh off-peak	2800 kWh X \$.014199	\$	39.76
Combined Public Benefits Charge	4320 kWh X \$.007512	\$	32.45
Competitive Transition Assessment per kwh	4320 kWh X \$.015222	\$	65.76
Non-Bypassable FMCC per kwh on-peak	1520 kWh X \$.013194	\$	20.05
Decoupling Adjustment	4320 kWh X \$.000291	\$	1.25
Pension Tracker and Earnings Sharing	4320 kWh X \$.000689-	\$	2.98 cr
<b>Total Delivery Charges</b>		\$	<b>374.16</b>
CT Sales Tax on Electricity (6.0%)		\$	39.37
Small Business Program		\$	516.19
<b>Total New Charges</b>		\$	<b>1,361.70</b>

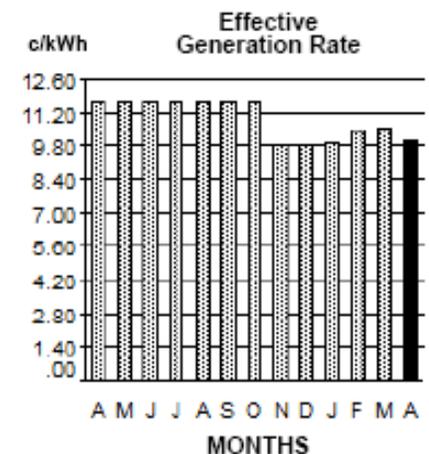
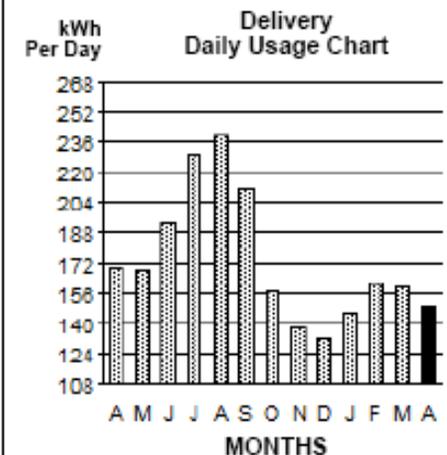
**Amount Now Due: \$ 1,361.70**

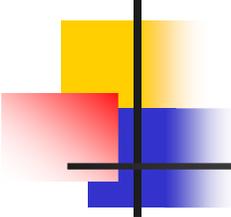
**Actual Account Balance: \$ 16,331.21**

One or more components have changed pricing this month, pricing may not print for that component.

All charges are due as of your Statement Date. Any unpaid charges will be subject to interest as of your Statement Date, at the rate of 1.25% per month, if not paid on or before **May 6, 2011**. Making your payment on the Due Date at an authorized payment agent may not post until the following business day. If you have a question, contact UI. As authorized by law, for residential accounts, we supply payment information to credit rating agencies. If your account is more than 90 days delinquent, a delinquency report could harm your credit rating.

**MONTHLY MONEY-SAVER**  
Make sure lighting dimmer switches are turned off when not in use. Sometimes a light that appears to be off is still consuming electricity.





# Before

- Obsolete lighting
- No lighting controls
- Obsolete refrigeration
  
- 24/7 Refrigeration
  
- Poorly maintained HVAC equipment

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= \$3,000 monthly bill

# After

- New lighting tech.
- Occupancy sensors
- New refrigeration technology
- Refrigeration controls /night shutoffs
- Properly maintained HVAC /Programmable Thermostats

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= \$1,800 monthly bill

# Side by Side Comparison



# Default Loan Term

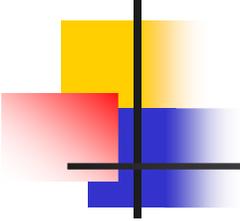
<b>Project Cost:</b>	Material costs	\$9,204.20
	Labor costs	\$6,571.03
	Project Subtotal	\$15,775.23
	Tax (CT 6%)	\$946.51
	Total Cost	\$16,721.74
	Approved UI Incentive	\$7,886.52
	<b>Net Total Cost</b>	<b>\$8,835.22</b>
	<b>Monthly Payment (16)</b>	<b>\$552.20</b>
	-> <i>Annual Energy Savings</i>	42,301 kWh
<i>Estimated:</i>	-> <i>Annual Dollar Savings</i>	<b>\$6,927 = \$577.25/monthly</b>
<i>(may include adjustments)</i>	-> <i>Pay Back</i>	1.2 years

**Cash Positive \$25.05**

# Loan Extension – 24 months

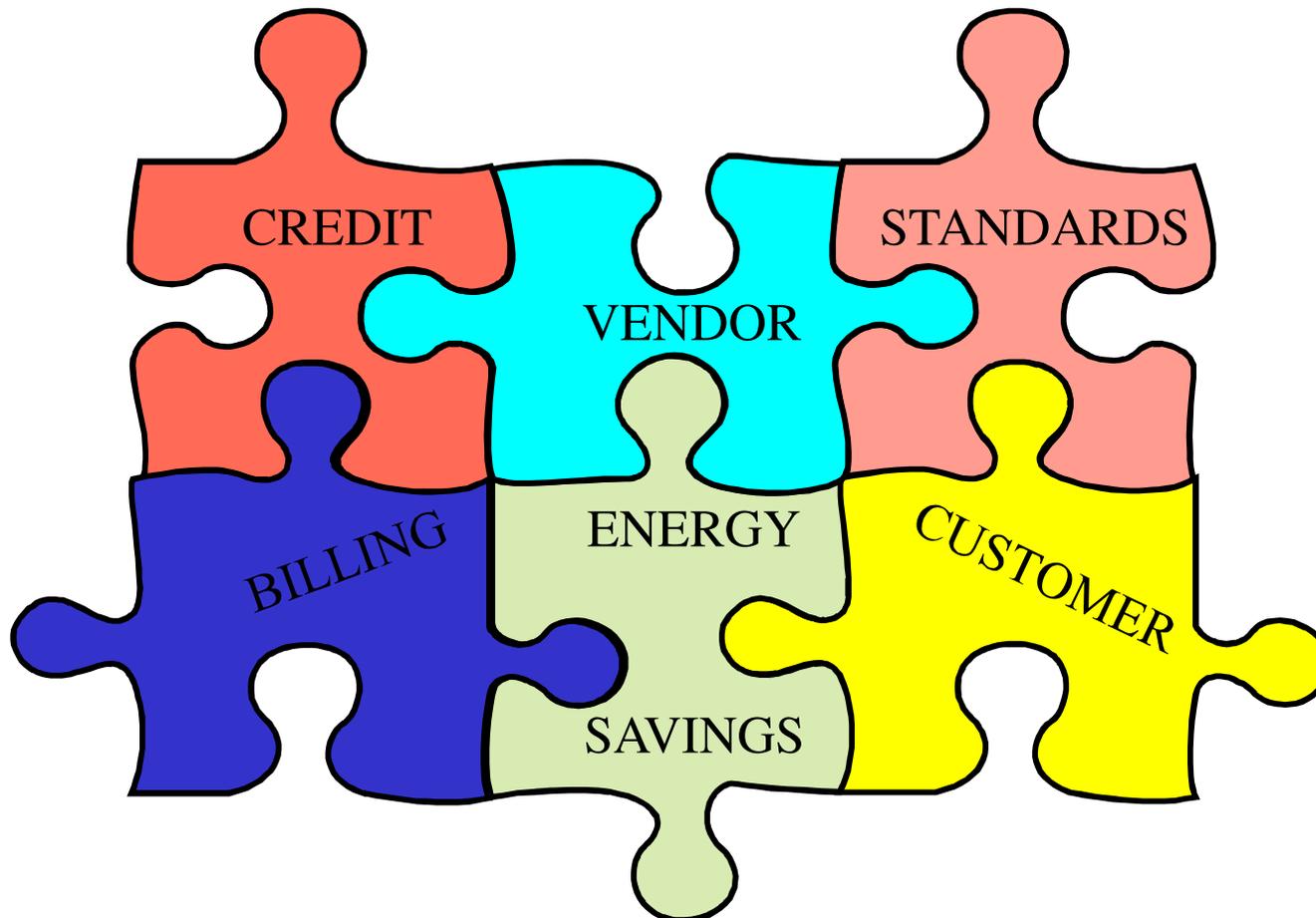
<b>Project Cost:</b>	Material costs	\$9,204.20
	Labor costs	\$6,571.03
	Project Subtotal	\$15,775.23
	Tax (CT 6%)	\$946.51
	Total Cost	\$16,721.74
	Approved UI Incentive	\$7,886.52
	<b>Net Total Cost</b>	<b>\$8,835.22</b>
	<b>Monthly Payment (24)</b>	<b>\$368.13</b>
	-> Annual Energy Savings	42,301 kWh
Estimated: ->	Annual Dollar Savings	<b>\$6,927 = \$577.25/monthly</b>
(may include adjustments) ->	Pay Back	1.2 years

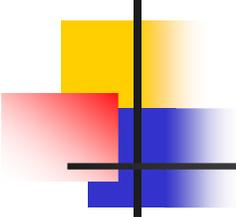
**Cash Positive \$209.12**



# CRITICAL PIECES

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# Contact Information

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**Dennis O'Connor**

Small Business – Program Administrator  
The United Illuminating Company  
157 Church Street, Mail Stop 1-6B  
P.O. Box 1564  
New Haven, CT 06506-0901

Phone: 203-499-3715

Fax: 203-499-2800

E-Mail: [dennis.o'connor@uinet.com](mailto:dennis.o'connor@uinet.com)



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